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SUBJECT: TFHO1: BORDER BLOCKADE PROMPTS HONDURAS AND EL

SALVADOR TO RESOLVE TRADE DISPUTE

REF: TEGUCIGALPA 1166

- ¶1. (SBU) SUMMARY: A blockade at a Honduras-El Salvador border point on November 17, organized by a Honduran farmers' association to protest El Salvadoran restrictions on food imports (reftel), significantly disrupted cross-border traffic. In response, Honduran and El Salvadoran officials met the same day in an attempt to resolve longstanding differences on phytosanitary issues that had led to the import restrictions. The two sides agreed to a spot-checking procedure for dairy products. When the decision was announced, the blockade was suspended and Honduran dairy products immediately began entering El Salvador. Honduras agreed to begin allowing the import of eggs from El Salvador, another item of contention, once El Salvadoran exporters implement certain phytosanitary measures. Given the broader tensions between the two countries, it is commendable that they relegated the issue to the technical level and dealt with it quickly once this was done. END SUMMARY.
- 12. (SBU) The National Federation of Farmers and Ranchers of Honduras (FENAGH) staged a blockade at the El Amatillo border crossing between Honduras and El Salvador on November 17 to protest what the organization perceived to be unfair restrictions against certain Honduran agricultural products. FENAGH hoped that creating a blockade to impede the flow of products would prompt the GOES to meet with the GOH toward a resolution to the disputes described in reftel. Santiago Ruiz, President of FENAGH, told EconOff on November 20 that seven trucks and 500 people (more than the expected 200) assembled at the border beginning at 6 a.m. local time. Ruiz said that FENAGH had counted a backlog of 65 containers on the Honduras side of the border at 3 p.m. He did not count the backlog on the El Salvadoran side, but the local press reported a backlog of almost 80 containers there.
- 13. (U) In response to the blockade, the director for farming and livestock health in El Salvador's agriculture ministry, Medardo Lizano, met with the trade policy director in the Honduran commerce ministry, Melvin Redondo, and the director of the Honduran National Farming and Livestock Health Service (SENASA), Edmundo Toro, to discuss a resolution the trade disputes. Ruiz said that the meeting took place about five minutes away from the border crossing station on the El Salvadoran side and lasted from 11 a.m. to 6:30 p.m. The borders were reopened at approximately 8 p.m. and eleven containers of previously banned Honduran dairy products entered El Salvador.

- 14. (SBU) Ruiz said that the full text of the agreement between the two countries had not been made public. However, the negotiators announced that they had agreed that one out of every ten containers of Honduran dairy products exported to El Salvador would heretofore be subject to sampling inspection and that SENASA would also conduct random sampling of Honduran dairy products prior to export. FENAGH accepted this measure despite the fact that the sampling by the GOES would continue at the border and FENAGH's concerns about potential contamination at the border inspection site remained unresolved. Additionally, the GOH pledged to lift the ban on El Salvadoran eggs as soon as El Salvadoran exporters adopt certain phytosanitary measures. Toro is quoted in local press saying that he expects this to occur within the next six months.
- 15. (SBU) COMMENT: Ruiz told us that FENAGH's members are generally reluctant to take drastic measures like those of November 17, but said that they felt that they had no other alternative, since the two sides would not have gone to the table without such an impetus. Given the broader tensions between the two countries, it is commendable that they relegated the issue to the technical level and dealt with it quickly once this was done. END COMMENT. LLORENS